



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

June 17, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AN APPROPRIATION ADJUSTMENT
FOR THE ACQUISITION OF PROPERTY
ADJACENT TO THE MID VALLEY COMPREHENSIVE HEALTH CENTER
(THIRD DISTRICT) (4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached appropriation adjustment, in the amount of \$2,350,000 and funded by the Asset Development Implementation Fund, to establish Capital Project No. 77038, to properly account and record in the County's official accounting records the acquisition of property adjacent to the Mid Valley Comprehensive Health Center through eminent domain proceedings.
2. Authorize the Chief Administrative Officer to enter into a memorandum of understanding with the Department of Health Services to provide for repayment of the funds to the Asset Development Implementation Fund over a 20-year period with interest calculated at a rate equal to the earnings rate of the County Treasury Pool at the time of the original deposit with the Court.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 26, 2002, your Board adopted a resolution of necessity to acquire, by eminent domain, four parcels adjacent to the Mid Valley Comprehensive Health Center to augment parking for patients, visitors and employees of the health center and instructed the Auditor-Controller to deposit \$2,050,000 into an account established by the Superior Court as part of the eminent domain proceedings. As identified in that Board action,

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

funding for the acquisition was provided through a loan from the Asset Development Implementation Fund. An appropriation adjustment to establish a capital project was not included at the time of the Board's initial approval on November 26, 2002, and the funds deposited with the Court on December 12 were drawn directly from the Asset Development Implementation Fund.

The attached appropriation adjustment will establish a new capital project within the County's Capital Project Budget to properly account and record the acquisition of the property. The appropriation adjustment, in the amount of \$2,350,000, will allow the Auditor-Controller to process a correcting transaction to properly record the initial deposit of funds and provide for an additional payment of \$300,000 to the property owner based upon a tentative settlement that has been reached and which County Counsel is currently finalizing for approval by your Board.

Upon completion of the acquisition and approval by your Board of the final settlement, the Chief Administrative Office will enter into a memorandum of understanding with the Department of Health Services, which will allow the department to repay the loan over a 20-year period.

FISCAL IMPACT/FINANCING

As approved by your Board on November 26, 2002, funding for the acquisition is provided by a loan from the Asset Development Implementation Fund. The attached appropriation adjustment, in the amount of \$2,350,000, reflects the currently estimated full settlement amount based upon a tentative agreement that has been reached with the property owner and includes the original deposit of \$2,050,000.

Upon approval of the final settlement by your Board and completion of the acquisition, the Chief Administrative Office will enter into a memorandum of understanding with the Department of Health Services to repay the loan to the Asset Development Implementation Fund. Interest on the loan will be calculated 2.12%, the earnings rate of the County Treasury Pool at the time of the original deposit with the Court.

Under the agreement, the Department of Health Services will repay the loan through annual payments of \$144,267.24 for 20 years. Funding for the loan repayment is included in the Department's Fiscal Year 2003-04 Proposed Budget and will be requested in future fiscal years. There is no additional net County cost associated with this action. The Department will have the option of pre-paying the outstanding principal balance on July 1 of each fiscal year. A detail of the repayment schedule is provided in Attachment A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The appropriation adjustment is required in order to properly reflect the acquisition of the property in the County's accounting records.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will have no impact on any other current services or projects.

CONCLUSION

Please return one conformed copy of this action to the Chief Administrative Office (Capital Projects) and to the Auditor-Controller.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:JSE:DJT
KW:mdc

Attachments (2)

c: County Counsel

**Mid-Valley Comprehensive Health Center
Financing for Acquisition of Parcel Nos. 1-5, 1-6, 1-7, and 1-8**

Summary of Annual Payments on \$2,350,000 Loan from the Asset Development Implementation Fund

Principal Amount: \$2,350,000
Loan Term: 20 Years
Interest Rate: 2.12%
Prepayment Option: Yes, on July 1 of each fiscal year

July 1st	Beginning Principal Balance	Principal Payments	Interest Payments	Total Annual Payment	Ending Principal Balance and Prepayment Price
2003	\$ 2,350,000.00	\$ 95,370.36	\$ 48,896.88	\$ 144,267.24	\$ 2,254,629.64
2004	2,254,629.64	97,412.63	46,854.61	144,267.24	2,157,217.01
2005	2,157,217.01	99,497.32	44,769.92	144,267.24	2,057,719.69
2006	2,057,719.69	101,627.28	42,639.96	144,267.24	1,956,092.41
2007	1,956,092.41	103,802.84	40,464.40	144,267.24	1,852,289.57
2008	1,852,289.57	106,024.97	38,242.27	144,267.24	1,746,264.60
2009	1,746,264.60	108,294.67	35,972.57	144,267.24	1,637,969.93
2010	1,637,969.93	110,612.96	33,654.28	144,267.24	1,527,356.97
2011	1,527,356.97	112,980.87	31,286.37	144,267.24	1,414,376.10
2012	1,414,376.10	115,399.48	28,867.76	144,267.24	1,298,976.62
2013	1,298,976.62	117,869.86	26,397.38	144,267.24	1,181,106.76
2014	1,181,106.76	120,393.12	23,874.12	144,267.24	1,060,713.64
2015	1,060,713.64	122,970.40	21,296.84	144,267.24	937,743.24
2016	937,743.24	125,602.86	18,664.38	144,267.24	812,140.38
2017	812,140.38	128,291.66	15,975.58	144,267.24	683,848.72
2018	683,848.72	131,038.05	13,229.19	144,267.24	552,810.67
2019	552,810.67	133,843.19	10,424.05	144,267.24	418,967.48
2020	418,967.48	136,708.40	7,558.84	144,267.24	282,259.08
2021	282,259.08	139,634.94	4,632.30	144,267.24	142,624.14
2022	142,624.14	142,624.14	1,643.10	144,267.24	0.00
Total	\$ 2,350,000.00	\$ 2,350,000.00	\$ 535,344.80	\$ 2,885,344.80	\$ 0.00

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S. 060
No.

DEPARTMENT OF Chief Administrative Office

May 30

19 2003

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

4 VOTES

FINANCIAL SOURCES:Capital Projects/Refurbishments
Mid Valley Comp. Health Center (3)
Acquisition
Rev: Operating Transfer In/CP
A01 - cp - 77038 - 9919
\$2,350,000.00 Increase Rev.FINANCIAL USES:Capital Projects/Refurbishments
Mid Valley Comp. Health Center (3)
Acquisition
Land
A01 - CP - 77038 - 6006
\$2,350,000.00 Increase Approp.

JUSTIFICATION: Establishes capital project to properly account and record the acquisition of property adjacent to the Mid Valley Comprehensive Health Center through eminent domain proceedings.


Jan Takata, Asst. Division Chief

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

JUN 5 2003 19

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

BY

DEPUTY COUNTY CLERK

AUDITOR-CONTROLLER BY

No. 275

CONNOR
JUNE 4 2003 19

SEND 6 COPIES TO THE AUDITOR-CONTROLLER